



**COUNTY OF ORANGE
INTERNAL AUDIT DEPARTMENT**

OFFICE OF THE DIRECTOR

*Integrity
Objectivity
Independence*

PETER HUGHES
Ph.D. MBA, CPA, CIA, CFE, CITP
DIRECTOR

MAILING ADDRESS:
400 CIVIC CENTER DRIVE WEST
BUILDING 12, ROOM 232
SANTA ANA, CA 92701

TELEPHONE: (714) 834-5475
FAX: (714) 834-2880
EMAIL: peter.hughes@ocgov.com
WEBSITE: www.oc.ca.gov/audit/

Audit No. 2440

August 26, 2004

TO: Juliette A. Poulson, Agency Director
Health Care Agency

SUBJECT: Third Follow-Up of Department Control Review of Health Care Agency
Revolving Fund, Audit No. 2136

We have completed a third follow-up examination of the Health Care Agency revolving fund process. Our examination was limited to a review, as of July 31, 2004 of HCA's planned actions stated in our secondary follow-up audit report dated March 9, 2004 and our initial follow-up audit report dated November 18, 2002. These planned actions stemmed from our original audit report dated March 19, 2002.

The secondary follow-up review contained one recommendation not fully implemented from our initial follow-up audit concerning the revolving fund checking account reconciliation in Purchasing Services. We are please to report that our current review indicated the recommendation is now fully implemented.

We appreciate the cooperation and assistance extended to us by the staff of the Health Care Agency during our review.

Sincerely,

Peter Hughes, Ph.D., CPA
Director, Internal Audit Department

cc: Members, Board of Supervisors
Members, Audit Oversight Committee
Foreman, Grand Jury
James D. Ruth, County Executive Officer
Alice Manning, Deputy Agency Director, HCA
Alice Sworder, Manager, HCA/Accounting Services
Dorinda Malloy, Manager, HCA/Management Services
Darlene J. Bloom, Clerk of the Board of Supervisors